

VZCZCXRO5044

RR RUEHAO RUEHCD RUEHGA RUEHGD RUEHHA RUEHHO RUEHMC RUEHNG RUEHNL
RUEHQU RUEHRD RUEHRG RUEHRS RUEHTM RUEHVC
DE RUEHCV #0554/01 0731300
ZNY CCCCC ZZH
R 141300Z MAR 07
FM AMEMBASSY CARACAS
TO RUEHC/SECSTATE WASHDC 8122
INFO RUEHWH/WESTERN HEMISPHERIC AFFAIRS DIPL POSTS
RUMIAAA/HQ USSOUTHCOM MIAMI FL
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000554

SIPDIS

SENSITIVE
SIPDIS

E.O. 12958: DECL: 03/13/2017

TAGS: [PGOV](#) [ECON](#) [VE](#)

SUBJECT: THE FIFTH MOTOR OF THE REVOLUTION SHIFTS INTO
GEAR: BRV TO CREATE 32,000 COMMUNAL COUNCILS IN 2007

REF: A. 06 CARACAS 01067
[1](#)B. CARACAS 404

Classified By: Economic Counselor Andrew Bowen, Reasons 1.4 (B) and (D)

[1](#)1. (U) Summary: On February 28, Minister of Popular Power for Participation and Social Development David Velazquez and other senior BRV officials announced the BRV's intention to form 32,000 new communal councils (Consejos Comunales) during a crowded inaugural kick-off in Caracas. These new councils, along with the 18,200 existing councils, would allow the BRV to reach its target of 50,000 councils by 2008. Communal councils are grassroots community organizations the BRV is pushing to the political forefront. With up to \$8 billion in direct central government funding, the councils can theoretically plan and execute local projects, independent of any elected local government involvement. During the event, BRV officials said the plan was to eventually move towards a confederation of communal councils, including participation in the BRV's civilian and defense security committees. President Chavez also recently accused the CIA of trying to infiltrate these councils. Mainstream opposition parties are trying to participate in communal councils, despite government obstacles. While the structure and future plans for the councils are still not well-defined, the intention appears clearly to allow the BRV to bypass elected regional and local governments. This schema, consistent with Chavez' stated contempt for representative democracy, will also further centralize state power. End Summary

50,000 COMMUNAL COUNCILS IN 2007

[1](#)2. (U) President Chavez hailed the communal councils as the "Fifth Motor" of his "21st Century Socialism" (Reftel A) and as the means to insure popular participation in his "revolutionary" government. The formation of 32,000 new councils would allow the BRV to reach its goal of 50,000 councils by the end of the year. Per Chavez' announcements, the councils will receive Bs 6 trillion (USD 2.8 billion) in 2007 and \$4.7 billion in 2008 from the National Development Fund (FONDEN) to conduct community projects (e.g. housing, electricity, roads, etc.) generated by citizens who attend the meetings. The communal councils then propose the projects to the BRV-appointed Presidential Council for the Communal Government for approval and the communal banks for funding. In the end, it is the central government that decides whether a project receives funding or not. At the rally, Minister of Popular Power for Participation and Social Development David Velazquez told the crowd that he had completed a review of the budget requests and planned on submitting a Presidential Council work plan for the communal councils later on the week of March 5.

COUNCILS TO PARTICIPATE IN SECURITY AND DEFENSE COMMITTEES

13. (U) At the same rally, Gustavo Rangel Briceno, National Reserve commanding general and member of the Presidential Council for the Communal Government, announced that the communal councils will participate in the BRV's civilian defense and security committees. General Briceno indicated that the National Armed Forces (FAN) is looking for ways to incorporate the Venezuelan people in the country's security and defense, explaining, "Without security we cannot exercise our rights." This new role is in addition to the decree two weeks ago that authorized communal council members to act as consumer watchdogs, ensuring compliance and enforcement of price controls (Reftel B).

A GLIMPSE OF FUTURE PLANS FOR THE COUNCILS

14. (U) During the event, Vice President Jorge Rodriguez said that the plan is not to create isolated communal councils, but rather to move toward a confederation of communal council bodies acting as a new form of government. Velazquez reaffirmed this idea and expressed the need to give more power to the people through the communal councils. However, in an earlier televised appearance, when asked the requirements for establishing a council, Velazquez could not come up with an answer and had to look the law up and read the text verbatim. In the past, the BRV claimed that the communal councils would not replace local or regional governments, but pro-government sources report that communal councils will have authority over local governments'

CARACAS 00000554 002 OF 003

technical and administrative staff to carry out their projects.

IMPRESSIONS ON THE GROUND

15. (SBU) On February 3, a "Chavista-lite" NGO, which receives limited USAID support, Radar de los Barrios, conducted a forum with nine communal council leaders to discuss the implementation of the councils. Participants in the forum identified numerous serious problems, including poorly-administered and -attended council elections, that often result in the election of unqualified leaders. Once elected, power is overly concentrated in these leaders who can often push projects through because they are the ones who actually know the law. The other members' lack of knowledge of the law and methodology to present a project makes it difficult for anyone else to genuinely participate. Participants denounced the use of giving food or making housing promises as a way to obtain the signatures that are later used for the attendance list. Even more worrisome for forum participants is that the communal banks usually hand over resources directly to one person, a process that lacks transparency. Many noted that the BRV has concentrated too much power in the unelected Presidential Committee that oversees the councils. Lastly, participants explained that a conflict already exists between the communal councils and the municipal and regional government who are fighting against encroachment by communal councils onto their turf. According to their website, Radar de los Barrios supports communal council program, but recognizes the danger of over-politicizing them.

THE OPPOSITION DECIDES TO PLAY BALL

16. (C) On February 2, Manuel Rosales, governor of Zulia and

leader of the New Time (UNT) political party, explicitly called on the opposition to create and actively participate in communal councils. Other prominent mainstream opposition parties, including Primero Justicia (PJ) and the Christian Democratic Party (COPEI), have also decided to participate in the communal councils, apparently because of the financing and influence they see flowing to the councils. Although skeptical that the government will recognize or fund opposition projects, opposition leaders tell us that they are taking a pragmatic approach to the councils, both to access resources and make political inroads in the barrios, Chavez' traditional base. However, many opposition activists claim that opposition-dominated councils have run into bureaucratic road blocks, preventing them from registering and forming their own councils. They insist that the communal councils are a tool for the BRV to bypass elected local governors and mayors, even though the vast majority of them are Chavistas.

17. (C) Karla Velasquez, legal consultant and trainer for the NGO Hagamos Democracia, told Econoff on March 12 that the opposition is often using its legal expertise and technical experience to design neighborhood projects and then having Chavista leaders sign-off on them. Since most people in the councils do not understand the law or the methodology for implementing a project, the more-savvy opposition has been able to informally fill a niche in some communal councils while increasing the likelihood that the central government approves its projects. Velasquez reports that the communal council program is very disorganized and funding is extremely informal at this stage in the program. Nevertheless, even with a cursory understanding of how the councils work, many people in the poorer neighborhoods view the councils as a fast track to obtain funding for community projects.

OBSTACLES TO PARTICIPATION

18. (C) Villapol Morales, opposition President of the City Council of San Francisco, a municipality of 500,000 inhabitants adjoining Maracaibo, told Poloff that the communal councils are being politicized in his municipality by the BRV. He said that the National Guard is actively recruiting and organizing pro-government, red-shirted communal councils. The few opposition-minded people who are able to join community councils find themselves in the minority, and are frequently hassled by the pro-Chavez majority. He added that some of the community councils are working well, turning out decent housing and creating jobs in

CARACAS 00000554 003 OF 003

the process, but they are the exception, not the rule. As an example of the obstacles the BRV creates for the opposition, he recalled a case when one opposition barrio leader beat out 15 pro-Chavez candidates to lead a communal council. The BRV invalidated the elections and held a new one, which the same leader won again.

CHAVEZ: THE CIA IS TRYING TO INFILTRATE THE COUNCILS

19. (SBU) Chavez has repeatedly signaled the importance he attaches to the councils. He paid them the ultimate compliment during his February 27 "Hello President" show when he accused the CIA of financing a project to undermine and infiltrate the communal councils. He claimed that the CIA planned to cause a conflict between the council leaders and regular members and called for protecting the communal councils from all foreign influence. He added that it is too late to kill the councils since they are already born and, like children, he would care for them. This unfounded allegation could very well give BRV officials added ammunition to disqualify opposition-minded citizens from participating on communal councils.

COMMENT

¶10. (SBU) The rapid increase in numbers, funding, and powers of communal councils allows the BRV to tout its populist roots while at the same time bypassing elected local and municipal governments. Although it is theoretically possible for opposition groups to form or actively participate in a communal council, it is clear already that the BRV is establishing roadblocks to such participation. The Bolivarian playbook seems to be to exclude not just the opposition, but also any elected leadership, including Chavistas. In this way, Chavez can control grassroots organizations without the inconvenience of dealing with elected leaders, and can further centralize power in the national government that he fully controls. To its credit, the mainstream opposition is not conceding local political space to pro-Chavez parties and is pragmatically trying to overcome government obstacles to lead and participate in communal councils.

BROWNFIELD